

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Mexico

**Post:** Mexico

### August Oilseeds Update

**Report Categories:**

Oilseeds and Products

Agricultural Situation

Agriculture in the Economy

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**Report Highlights:**

The MY 2009/10 soybean import estimate was revised upward to 3.45 million metric tons (MMT) due to increased demand from the feed industry. Similarly, the total soybean consumption estimate for MY 2008/09 was revised upward to 3.595 MMT due to the anticipated slight expansion in Mexican poultry production. The poultry sector continues to be the major consumer of soybeans and soybean meal in Mexico. The soybean oil production estimate for MY 2009/10 was also revised upward to 626,000 MT, as a result of reduced crushing and an increase in U.S. soybean imports. However, the rapeseed oil import forecast for MY 2009/10 was drastically reduced in response to the expected increase in international rapeseed oil prices.

**General Information:****Soybeans:**

The MY 2008/09 production estimate increased slightly to 153,000 MT based on a small increase in harvested area and the latest Mexican government data. However despite this slight increase, total consumption will remain at only four percent. The forecast for production and harvested area for MY 2009/10 remain unchanged.

The MY 2009/10 soybean import estimate was revised upward to 3.45 million metric tons (MMT) and reflects a modest increase in demand from the livestock sector, mainly poultry. The poultry sector continues to be the major consumer of soybean meal in Mexico, and it is expected that production will increase in MY 2010, even with the financial crisis. Consequently, total domestic soybean consumption for MY 2009/10 has been adjusted upward to 3.595 MMT.

MY 2008/09 ending stocks were revised upward to 34,000 MT, due to the unanticipated increase in production. Concomitantly, the ending stocks estimate for MY 2009/10 have been adjusted downward due to higher-than-previously anticipated total domestic consumption.

Soybean meal production for MY 2009/10 has been revised upward from our previous estimate after the improved outlook for poultry and egg production, which should generate a relatively bullish demand in soybean meal.

The soybean meal import estimate for MY 2008/09 has been revised upward to 1.47 MMT based on official data from the Secretariat of Economy (SE) for the first 10 months of this marketing year. Also, the soybean meal import forecast for MY 2009/10 increased based on information from the Mexican Feed Producers Association. This association anticipates that poultry demand for soybean meal should increase compared to other sectors in CY 2010, in spite of the economic crisis. The association also stated that chicken producers continue to enjoy similar demand for their products, and poultry consumption will remain steady due to the affordability of poultry relative to other meats. Consequently, the Feed Waste Domestic Consumption estimates for MY 2008/09 and MY 2009/10 have been adjusted upward.

The estimated MY 2008 and MY 2009 ending stocks of soybean meal have been revised downward due to higher-than-previously estimated domestic consumption. The ending stocks estimate for MY 2007/08 has also been adjusted downward based on industry sources.

The soybean oil import estimates for MY 2008/09 and MY 2009/10 have been revised downward based on preliminary data from the SE for the first year and industry sources for the second year. The estimates reflect a weaker demand, which is more than previously estimated due to a poor macroeconomic scenario and diminished consumer purchasing power. Similarly, the oil production estimate for MY 2009/10 has been adjusted upward due to an increase in crushing. The soybean oil export estimates for MY 2007 and MY 2008 have both been revised upward to 2,000 MT based on World Trade Atlas data.

The consumption estimates of soybean oil for MY 2008 and MY 2009 have been revised downward. According to industry sources, the anticipated rationing of domestic supplies due to

the economic turbulence and lower consumer purchasing power has been stronger than originally anticipated. Several private analysts and the GOM have recently forecast that Mexico's GDP could decline 7.4 percent in CY 2009 compared to the previous forecast of - 6.3 percent. The Food Use Domestic Consumption estimate of soybean oil for MY 2007/08 has been revised downward approximately four percent reflecting official information from the Agriculture Ministry (SAGARPA). As a result, the ending stocks estimate for MY 2007/08 have been revised upward. The ending stocks estimate for MY 2008 and MY 2009 have been adjusted downward reflecting lower-than-previously estimated imports for both years.

**Rapeseed:**

The MY 2008/09 rapeseed import estimate has been revised downward to 1.23 MMT based on official data from the SE and SAGARPA for the first ten months of this marketing year. Similarly, the import estimate for MY 2009/10 has been revised downward. Industry sources state that the main oil and crushing companies anticipated high international rapeseed prices due to decreased production around the world.

The crush rapeseed estimate for MY 2008/09 was decreased based on the latest official data from SAGARPA. Similarly, the estimated crush for MY 2009/10 was adjusted downward based on information from the industry, which reflects the anticipated higher international prices. With the current negative economic situation, prices have continued to be the predominant factor in marketing oilseeds as demand is price elastic. Oil companies can substitute some oilseeds depending on price.

The estimated MY 2008/09 and MY 2009/10 ending stocks were revised downward due to lower-than-previously estimated crush consumption.

The consumption estimate of rapeseed meal has been revised downward in MY 2009/10 and 2008/09 to 840,000 MT and 836,000 MT, respectively, based on the most recent industry information. Industry sources state that this decrease is primarily driven by the expectation of unattractive prices. Similar to oilseeds, price continues to be one of the main factors in marketing oil meals in the Mexican marketplace.

The total rapeseed meal production figures have been revised downward for MY 2009/10 and MY 2008/09 due to a lower-than-previously-estimated crushing. The estimated MY 2008/09 import number for rapeseed meal was revised upward 130,000 MT based on official data from the SE for the first 10 months of this marketing year. Similarly, for MY 2009/10, the rapeseed meal import forecast increased from the previous projection to 105,000 MT. This outlook is based on expectations of a contraction in domestic production. The import estimate of rapeseed meal coming from the United States for CY 2007 was revised upward reflecting the latest official information issued by the SE.

Due to lower crushing, the estimated oil rapeseed production has been reduced to 492,000 MT and 512,000 MT, respectively, for MY 2008 and MY 2009. The MY 2008/09 rapeseed oil import estimate has been revised downward based on updated official information published by the SE and SAGARPA for the first 10 months of this marketing year. Also, for MY 2009/10,

the import estimate has been reduced to 9,000 MT assuming unaffordable prices. In the Mexican marketplace, price continues to be the sole indicator of marketing vegetable oil. Consequently, the consumption rate for cheaper oils continues to increase. As such, the total consumption estimates for MY's 2008 and 2009 have been adjusted downward, reflecting official information from SAGARPA and unattractive international price expectations of rapeseed oil. Likewise, the strong dollar relative to the peso has had a negative impact.

For MY 2009/10, the projected ending stocks have been revised upward from the previous estimate due to lower consumption, which is more than previously estimated. The estimated ending stocks for MY 2008/09 also increased, which reflects updated government and industry data.

## Production:

### PS&D Soybean

Oilseed, Soybean Mexico  (1000 HA) <b>(1000 MT)</b>	2007		2008				2009		
	2007/2008		2008/2009				2009/2010		
	Market Year Begin: Sep 2007		Market Year Begin: Jun 2008				Market Year Begin: Jun 2009		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
	Official	Post	Data	Official	Post	Data	Official	Post	Data
Area Planted	73	73	73	80	88	88	80	85	85
Area Harvested	53	63	63	65	75	76	65	75	75
Beginning Stocks	39	39	39	19	56	56	29	31	34
Production	76	88	88	160	150	153	160	150	150
MY Imports	3,614	3,584	3,584	3,100	3,300	3,300	3,490	3,300	3,450
MY Imp. from U.S.	3,613	3,584	3,584	3,100	3,300	3,300	3,490	3,300	3,450
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	3,729	3,711	3,711	3,279	3,506	3,509	3,679	3,481	3,634
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	3,675	3,620	3,620	3,215	3,440	3,440	3,615	3,400	3,560
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	35	35	35	35	35	35	35	35	35
Total Dom. Cons.	3,710	3,655	3,655	3,250	3,475	3,475	3,650	3,435	3,595
Ending Stocks	19	56	56	29	31	34	29	46	39
Total Distribution	3,729	3,711	3,711	3,279	3,506	3,509	3,679	3,481	3,634
CY Imports	3,507	3,610	3,610	3,200	3,478	3,478	3,450	3,500	3,600
CY Imp. from U.S.	3,507	3,610	3,610	3,200	3,478	3,478	3,450	3,500	3,600
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
TS=TD			0			0			0

### PS&D Meal Soybean

Oil Soybean Meal	2007		2008		2009	
	2007/2008		2008/2009		2009/2010	
	Market Year Begin: Sep 2007		Market Year Begin: Jun 2008		Market Year Begin: Jun 2009	

<b>Mexico</b>  (1000MT) (PERCENT)	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
	Official	Post	Data	Official	Post	Data	Official	Post	Data
Crush	3,675	3,620	3,620	3,215	3,440	3,440	3,615	3,400	3,560
Extr. Rate, 999.9999	1.	1.	0.7773	1.	1.	0.7924	1.	1.	0.7865
Beginning Stocks	75	110	75	18	78	43	20	97	62
Production	2,900	2,814	2,814	2,530	2,726	2,726	2,850	2,695	2,800
MY Imports	1,401	1,382	1,382	1,500	1,400	1,470	1,485	1,350	1,450
MY Imp. from U.S.	1,400	1,382	1,382	1,500	1,400	1,470	1,475	1,350	1,450
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	4,376	4,306	4,271	4,048	4,204	4,239	4,355	4,142	4,312
MY Exports	8	8	8	8	7	7	8	5	7
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	50	50	50	50	50	50	51	50	50
Feed Waste Dom. Cons.	4,300	4,170	4,170	3,970	4,050	4,120	4,265	4,000	4,200
Total Dom. Cons.	4,350	4,220	4,220	4,020	4,100	4,170	4,316	4,050	4,250
Ending Stocks	18	78	43	20	97	62	31	87	55
Total Distribution	4,376	4,306	4,271	4,048	4,204	4,239	4,355	4,142	4,312
CY Imports	1,503	1,626	1,626	1,500	1,486	1,486	1,500	1,400	1,500
CY Imp. from U.S.	1,503	1,626	1,626	1,500	1,486	1,486	1,500	1,400	1,500
CY Exports	8	6	6	8	7	7	8	5	7
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	4,350	4,220	4,220	4,020	4,100	4,170	4,316	4,050	4,250
TS=TD			0			0			0

### PS&D Oil Soybean

<b>Oil, Soybean Mexico</b>  (1000MT) (PERCENT)	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Sep 2007			Market Year Begin: Jun 2008			Market Year Begin: Jun 2009		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
	Official	Post	Data	Official	Post	Data	Official	Post	Data
Crush	3,675	3,620	3,620	3,215	3,400	3,440	3,615	3,400	3,560
Extr. Rate, 999.9999	0.	0.	0.1757	0.	0.	0.1759	0.	0.	0.1758
Beginning Stocks	7	7	7	39	4	38	5	8	6
Production	647	636	636	565	605	605	636	600	626
MY Imports	236	236	236	170	230	170	185	230	200
MY Imp. from U.S.	235	235	235	170	225	170	185	230	200
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	890	879	879	774	839	813	826	838	832
MY Exports	2	0	2	2	1	2	2	1	2
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	844	870	834	762	825	800	810	825	816
Feed Waste Dom. Cons.	5	5	5	5	5	5	5	5	5
Total Dom. Cons.	849	875	839	767	830	805	815	830	821
Ending Stocks	39	4	38	5	8	6	9	7	9
Total Distribution	890	879	879	774	839	813	826	838	832
CY Imports	214	159	159	185	214	214	185	215	200
CY Imp. from U.S.	213	159	159	185	212	214	185	213	200
CY Exports	2	0	0	2	2	2	2	1	2
CY Exp. to U.S.	1	0	0	1	1	1	1	0	0
TS=TD			0			0			0

## PS&D Rapeseed

Oilseed, Rapeseed Mexico  (1000 HA) <b>(1000 MT)</b>	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Jun 2009		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
	Ofcial	Post	Data	Ofcial	Post	Data	Ofcial	Post	Data
Area Planted	0	0	0	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0	0	0	0
Beginning Stocks	80	79	80	46	56	56	47	46	10
Production	0	0	0	0	0	0	0	0	0
MY Imports	1,267	1,267	1,267	1,486	1,325	1,230	1,385	1,350	1,280
MY Imp. from U.S.	20	20	20	15	20	15	15	20	15
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	1,347	1,346	1,347	1,532	1,381	1,286	1,432	1,396	1,290
MY Exports	1	0	1	0	0	0	0	0	0
MY Exp. to EU	1	0	0	0	0	0	0	0	0
Crush	1,300	1,290	1,290	1,485	1,335	1,276	1,390	1,350	1,280
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0
Total Dom. Cons.	1,300	1,290	1,290	1,485	1,335	1,276	1,390	1,350	1,280
Ending Stocks	46	56	56	47	46	10	42	46	10
Total Distribution	1,347	1,346	1,347	1,532	1,381	1,286	1,432	1,396	1,290
CY Imports	1,337	1,128	1,128	1,400	1,337	1,337	1,400	1,350	1,300
CY Imp. from U.S.	25	30	30	15	30	25	15	30	15
CY Exports	1	0	0	0	0	1	0	0	0
CY Exp. to U.S.	1	0	0	0	0	1	0	0	
TS=TD			0			0			0

## PS&D Meal Rapeseed

Meal, Rapeseed Mexico  (1000 MT) <b>(PERCENT)</b>	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Jun 2009		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
	Official	Post	Data	Official	Post	Data	Official	Post	Data
Crush	1,300	1,290	1,290	1,485	1,335	1,230	1,390	1,350	1,280
Extr. Rate, 999.9999	1.	1.	0.5752	1.	1.	0.574	1.	1.	0.5742
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	746	742	742	852	770	706	798	780	735
MY Imports	75	75	75	128	90	130	130	75	105
MY Imp. from U.S.	35	54	54	75	45	65	80	45	55
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	821	817	817	980	860	836	928	855	840
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	821	817	817	980	860	836	928	855	840

Total Dom. Cons.	821	817	817	980	860	836	928	855	840
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	821	817	817	980	860	836	928	855	840
CY Imports	98	53	53	130	98	98	125	60	100
CY Imp. from U.S.	69	13	43	75	69	69	80	45	55
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	584	581	581	697	612	595	660	608	598
TS=TD			0			0			0

## PS&D Oil Rapeseed

Oil, Rapeseed Mexico  (1000 MT) <b>(PERCENT)</b>	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Jun 2009		
	USDA Official Data		Old Post	USDA Official Data		Old Post	USDA Official Data		Jan
	Official	Post	Data	Official	Post	Data	Official	Post	Data
Crush	1,300	1,290	1,290	1,485	1,335	1,230	1,390	1,350	1,280
Extr. Rate, 999.9999	0.	0.	0.3899	0.	0.	0.4	0.	0.	0.4
Beginning Stocks	2	2	2	12	11	11	15	5	9
Production	520	503	503	594	531	492	556	540	512
MY Imports	51	51	51	10	40	11	10	45	9
MY Imp. from U.S.	41	41	41	5	35	5	5	35	4
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	573	556	556	616	582	514	581	590	530
MY Exports	0	0	0	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	561	543	543	601	577	505	566	585	515
Feed Waste Dom. Cons.	0	2	2	0	0	0	0	0	0
Total Dom. Cons.	561	545	545	601	577	505	566	585	515
Ending Stocks	12	11	11	15	5	9	15	5	15
Total Distribution	573	556	556	616	582	514	581	590	530
CY Imports	47	37	37	10	47	47	10	50	9
CY Imp. from U.S.	41	10	10	5	41	41	5	40	4
CY Exports	0	0	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
TS=TD			0			0			0